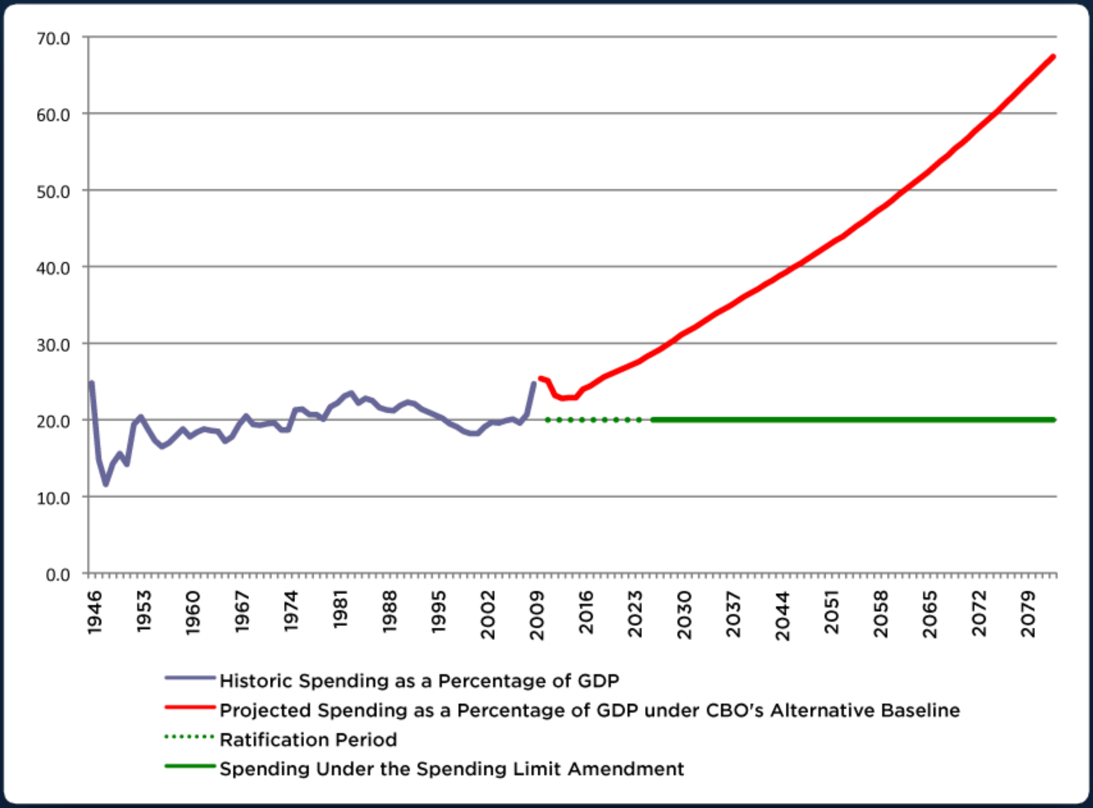
SPENDING LIMIT AMENDMENT



Congressman Jeb Hensarling *Congressman Mike Pence*

Congressman John Campbell

March 2010

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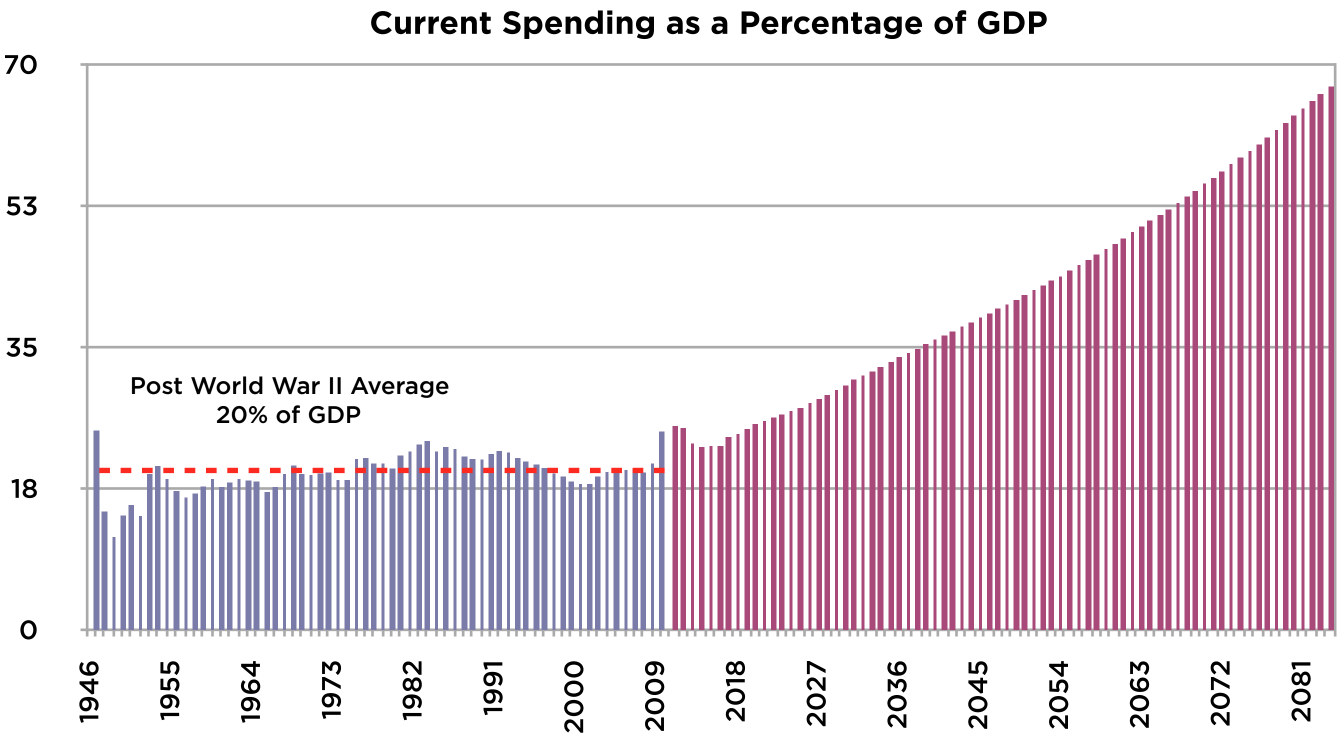
THE FISCAL CRISIS

America's fiscal storm clouds are no longer on the horizon.

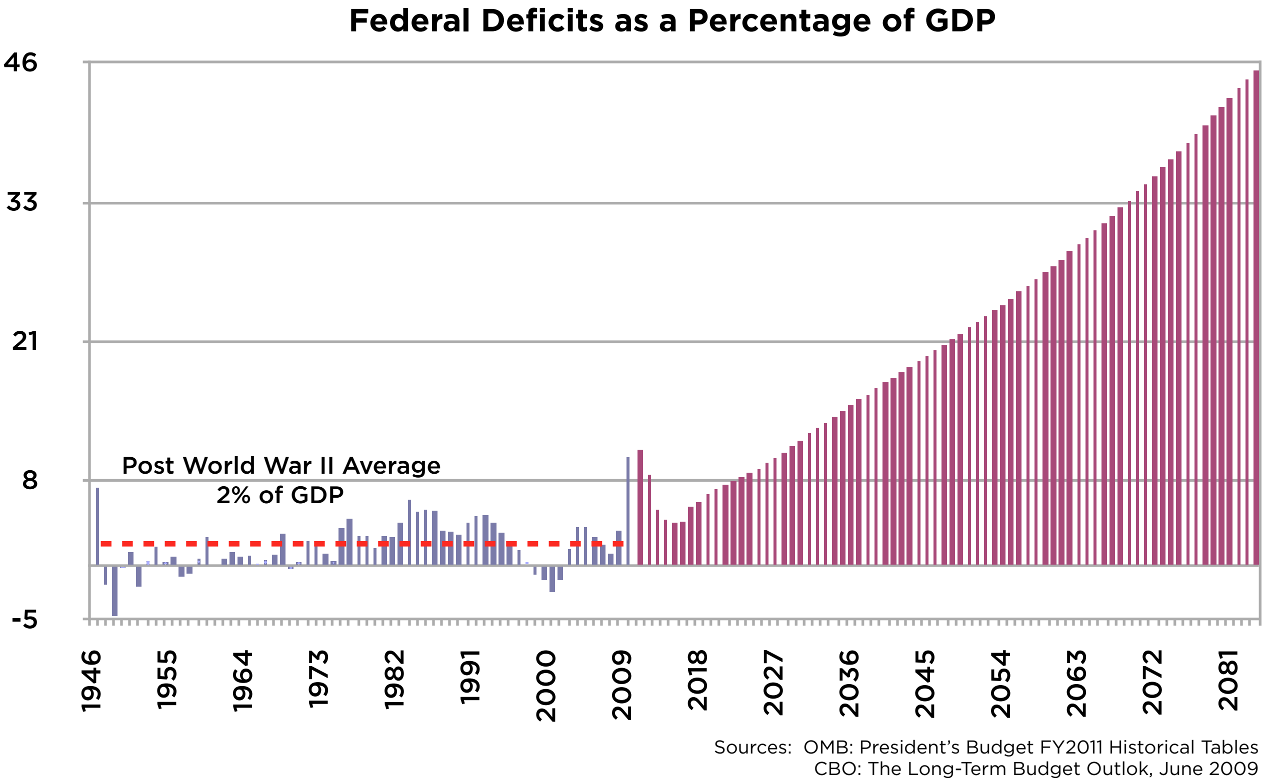
Over the last five years, federal spending increased from nearly 20 percent as a share of the economy to 24.7 percent[1] as the government's expenditures increased from $2.47 trillion to $3.52 trillion—a 42 percent increase.[2] These are the highest levels of spending as a share of the economy since World War II.[3]



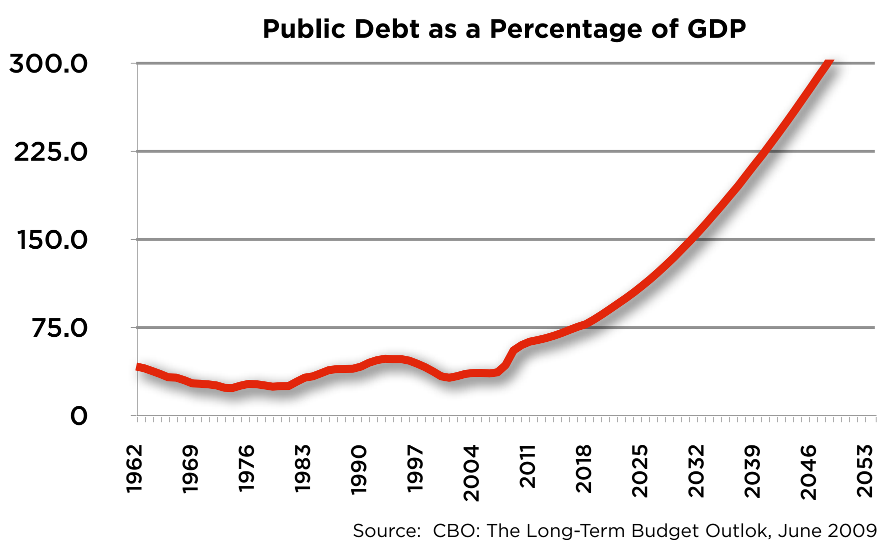
Sources: OMB: President's Budget FY2011 Historical Tables
CBO: The Long-Term Budget Outlok, June 2009

Such high levels of spending have seriously worsened federal budget deficits, which have grown from $318.3 billion in 2005 to $1.4 trillion in 2009.[4] And with such borrowing, the national debt has ballooned, growing from $7.3 trillion to $11.9 trillion—a five-year increase equal to the nation's entire accumulation of debt from the presidencies of George Washington to Bill Clinton.[5]

Unfortunately, this is the good news because the long-term fiscal horizon is worse. As the Baby Boom generation retires and the cost of health care continues to escalate, three federal programs—Social Security, Medicare, and Medicaid—will chew up the entirety of current federal revenues by 2036.[6]

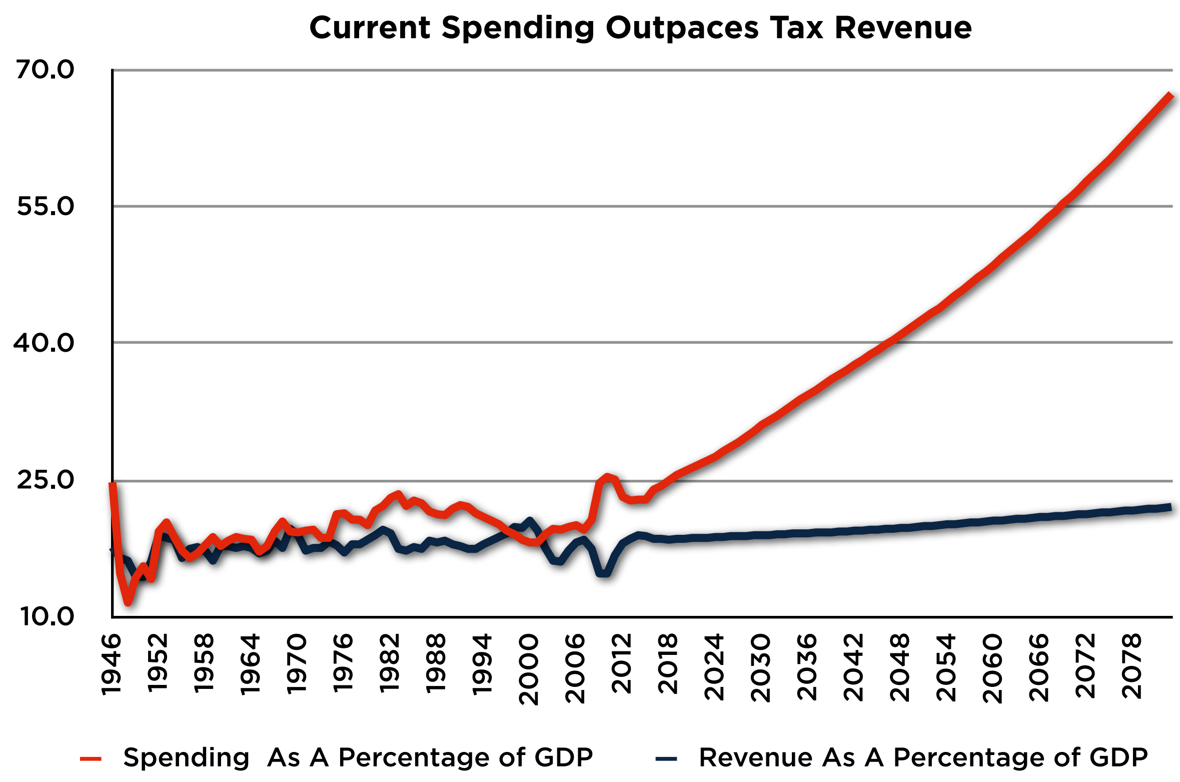


As these three programs grow rapidly, large, structural deficits and increased debt are a certainty. In 2009, the public debt amounted to 60 percent of the economy, but according to the Congressional Budget Office (CBO), by 2019, it will reach 83 percent of GDP, and by 2026, it will exceed 113 percent—its historic peak reached after World War II.[7] By 2038, it would reach 200 percent of the economy.[8] And these long-term projections assume that current spending patterns are not increased even further—an assumption that last year's trillion dollar "stimulus" bill, and the fact that the Obama Administration has increased nondefense discretionary spending (the easiest by far to control) by 84 percent since taking office, argues against.[9]



Absent tax increases or spending reform, after paying what has been promised to beneficiaries of these three federal programs, there will be nothing left to protect the nation, fight wars, provide for our veterans, or pay for various other priorities of a federal government. A portion of the current safety net will have consumed the entirety of the federal budget. But in all likelihood, if left unreformed until then, Social Security, Medicare, and Medicaid will instead be cut indiscriminately, leaving beneficiaries with little notice to plan accordingly.

If taxes are increased, they would have to more than double in order to pay for what will be spent under current law, ensuring that future generations simply would not have the freedom and opportunity that Americans currently enjoy. According to CBO, by 2050, individual income tax rates would have to be increased by about 90 percent to finance the spending between then and now. By 2082, tax rates would have to more than double with a potential tax rate on the highest incomes of 88 percent.[10] "Such tax rates would significantly reduce economic activity and would create serious problems with tax avoidance and tax evasion. Revenues would probably fall significantly short of the amount needed to finance the growth of spending; therefore such tax rates would probably not be economically feasible."[11] In other words, it is neither in our economic interest nor is it even possible to deal with the current spending and debt crisis with tax increases. Fiscal reform must begin and end with significant spending restraint.



Sources: OMB: President's Budget FY2011 Historical Tables
CBO: The Long-Term Budget Outlok, June 2009

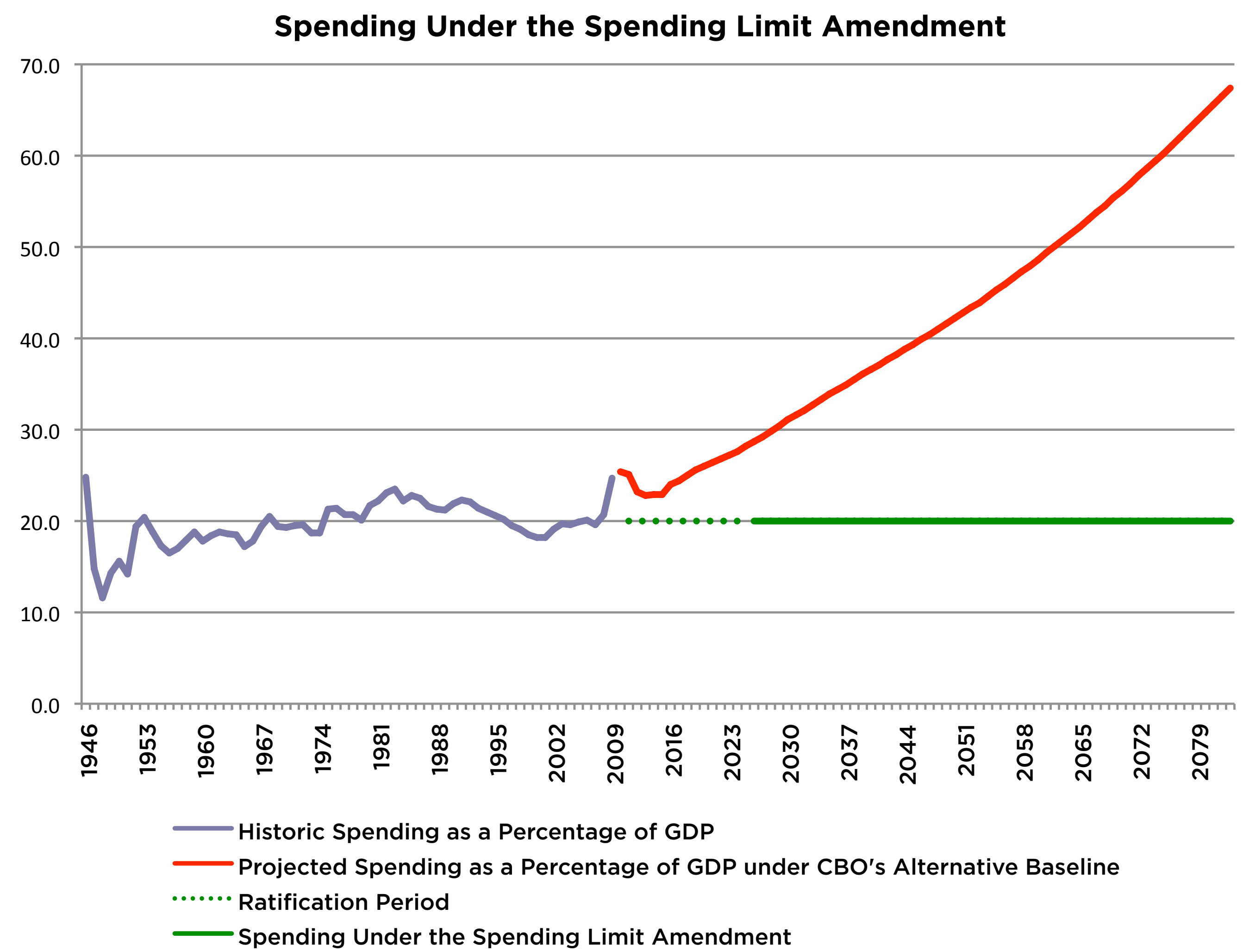
If not—if spending continues unchecked—this generation will prove to be the first to mortgage the future of its children and grandchildren instead of leaving a better and more prosperous future.

THE SOLUTION

Thankfully, many are coming forward with honest solutions to the nation's fiscal crisis. For our part, we believe that a constitutional amendment to control spending must be a central part of that debate and will likely serve as a necessary precondition for any serious spending restraint at the national level. The last few decades have proven far too often that the appetite to spend taxpayers' money is strong, and lawmakers of both parties repeatedly bend to electoral pressures to bust their own budgets and amend statutory constraints.

Accordingly, we propose a Spending Limit Amendment to the Constitution of the United States to limit spending to one-fifth of the economy—the historical average for spending since World War II. The limit could only be waived if a declaration of war was in effect or by a two-thirds vote of Congress.

Similar to other Constitutional amendments, Congress would be given the authority to enforce and implement it, but for the first time, America would have a limit on the size and scope of the federal government. The Spending Limit Amendment (SLA) does not promise a particular spending plan of which programs to restrain and by how much, but rather a Constitutional constraint on lawmakers present and future by which to conform their decisions and actions.



Sources: OMB: President's Budget FY2011 Historical Tables
CBO: The Long-Term Budget Outlok, June 2009

As George Will has said, "The Constitution stipulates destinations. It does not draw detailed maps."[12] We agree and submit that lawmakers will either not be prepared to address our spending and debt crisis at all or will do so by asking taxpayers to pay more unless there is first a national consensus of the optimal size of government and its limits.

We believe that limit should be one-fifth of the economy, which conforms with the burden placed on past generations and would ensure that future generations are not left without a Constitutional safeguard against dramatically higher taxes and increasing servitude towards government. Others may support a higher or lower limit on government, and that is an important national debate worthy of our time. But that debate needs to commence at once, and the burden is on the proponents of bigger government to prove that their levels of spending, debt, and taxation will not result in economic destruction and lost opportunity for millions of Americans.

The decision to amend the Constitution can never be made lightly. It is a bedrock foundation, not potters clay to be molded by the whims of politicians. However, the Founders knew that occasionally sands shift and foundations need shoring up, which is why they provided a rigorous amendment process to be used with great deference. Thomas Jefferson himself expressed a desire to amend the Constitution to limit the size of government when he stated, "I wish it were possible to obtain a single amendment to our Constitution, I would be willing to depend on that alone for the reduction of the administration of our government."[13] We believe such an amendment's time has come.

THE ECONOMIC IMPACT OF MASSIVE SPENDING AND DEBT

President Obama often asserts that every "credible" economist is of the belief that massive government spending is necessary for economic growth. By credible, he means the sort of intellectual descendent of John Maynard Keynes that Democrat Administrations and liberal salons continue to find fashionable. In essence, Keynesians argue that governments need to spend heavily in economic downturns when private expenditures are down in order to "pick up the slack."

In *Capitalism and Freedom*, renowned economist Milton Friedman laid waste to this theory by pointing out that in order to have the money to spend, governments must first either tax or borrow it, taking money out of the private sector where it is being used more efficiently. [Governments can also print more money, but this debases the currency and causes inflation.] By taking money out of the private sector, the government harms the economy and hampers private job growth. Furthermore, these sorts of spending "stimulus" packages are rarely repealed when economic growth returns and inevitably serve only to hinder the economic expansion.

When this intellectual rebuttal met the practical experience of the 1970s, Keynesian economics, which had been so influential since the 1930s, ran out of steam amidst the stagflation of high inflation and high unemployment of that decade. Like every resilient but bad idea, the recent economic downturn and the election of a Democrat Administration has resurrected it.

However, a wealth of academic research confirms that ever-increasing government is in fact extremely harmful to economic growth. Last year, the Institute for Market Economics examined the optimal size of government to maximize economic growth and concluded that:

- "The government size should not exceed the range from 20 to 30 percent of GDP if economic growth is to be maximized. This is due to the inefficiency of allocation of scare resources in the public sector and the crowding-out effect that government investment has on private investment." (emphasis added) [Dimitar Chobanov and Adrianna Mladenova. What is the Optimal Size of Government. Institute for Market Economics, Bulgaria 2009.]

Such findings are not new. Economist Dan Mitchell compiled a list of scholarly articles that reach a similar conclusion that too much government spending negatively impacts the economy. The following are just a few selections:

- "This analysis validates the classical supply-side paradigm and shows that maximum productivity growth occurs when government expenditures represent about 20 percent of GDP." [E. A. Peden , "Productivity in the United States and Its Relationship to Government Activity: An Analysis of 57 Years, 1929–1986," Public Choice, Vol. 69 (1991), pp. 153–173.]

- “Average growth for the preceding 5-year period…was higher in countries with small governments in both periods. The unemployment rate, the share of the shadow economy, and the number of registered patents suggest that small governments exhibit more regulatory efficiency and have less of an inhibiting effect on the functioning of labor markets, participation in the formal economy, and the innovativeness of the private sector.” [Vito Tanzi and Ludger Shuknecht, “Reforming Government in Industrial Countries,” International Monetary Fund Finance & Development, September 1996, at www.imf.org/external/pubs/ft/fandd/1996/09/pdf/tanzi.pdf (February 2, 2005).]

- “[T]here is a substantial crowding out of private spending by government spending…[P]ermanent changes in government spending lead to negative wealth effect.” [Shaghil Ahmed, “Temporary and Permanent Government Spending in an Open Economy,” Journal of Monetary Economics, Vol. 17, No. 2 (March 1986), pp. 197–224.]

- “[G]rowth in government stunts general economic growth. Increases in government spending or taxes lead to persistent decreases in the rate of job growth.” [Dong Fu, Lori L. Taylor, and Mine K. Yücel, “Fiscal Policy and Growth,” Federal Reserve Bank of Dallas Working Paper 0301, January 2003, p. 10.]

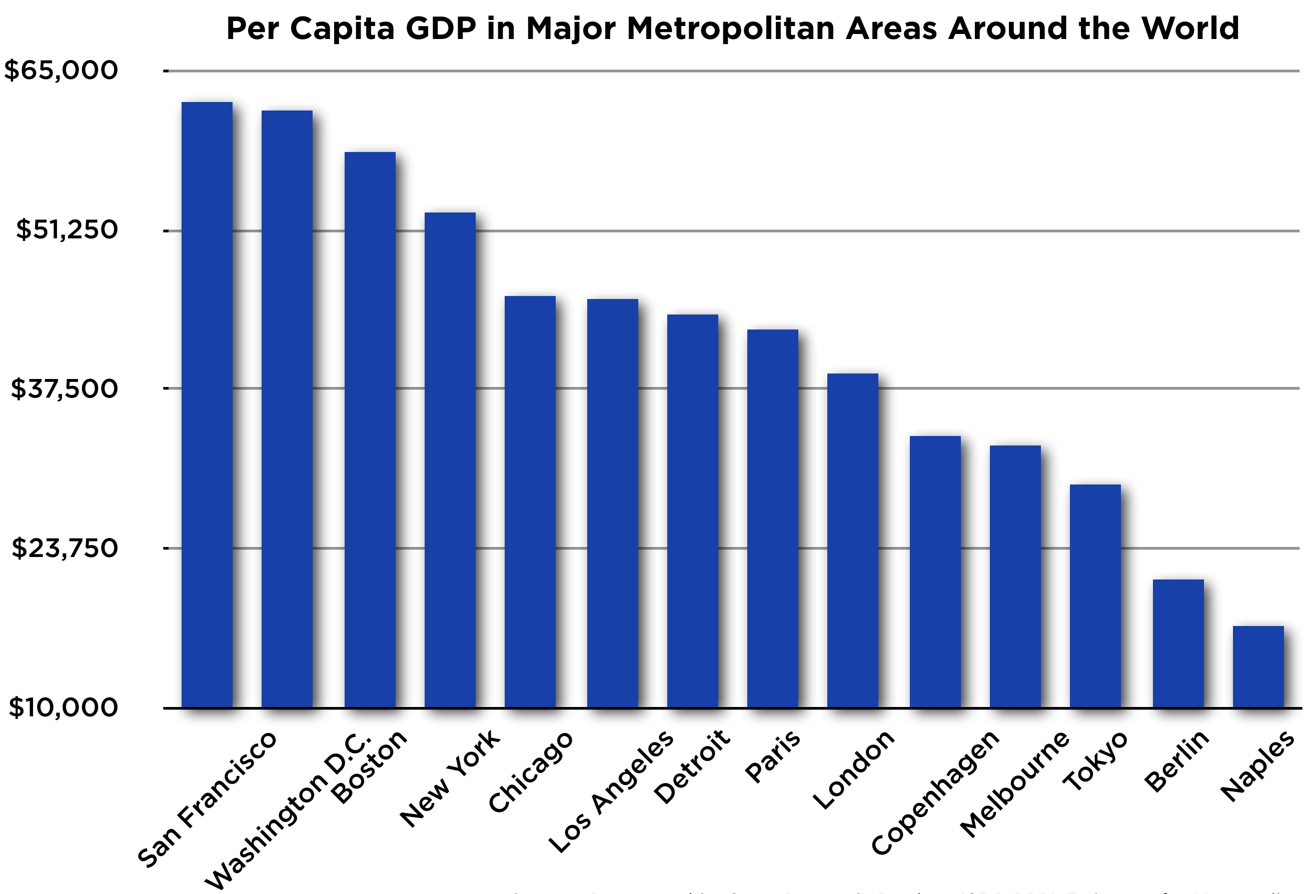
- “[A] one percent increase in government spending as a percent of GDP (from, say, 30-31%) would raise the unemployment rate by approximately .36 of one percent (from, say, 8 to 8.36 percent).” [Burton Abrams, “The Effect of Government Size on the Unemployment Rate,” Public Choice, Vol. 99 (June 1999), pp. 3–4.]

Economic research aligns with common sense—that massive government spending weakens economic performance and leads to higher levels of unemployment. In short, it is not economically responsible to be fiscally irresponsible. Quite the opposite.

THE LOST PROSPERITY FROM EXCESSIVE GOVERNMENT

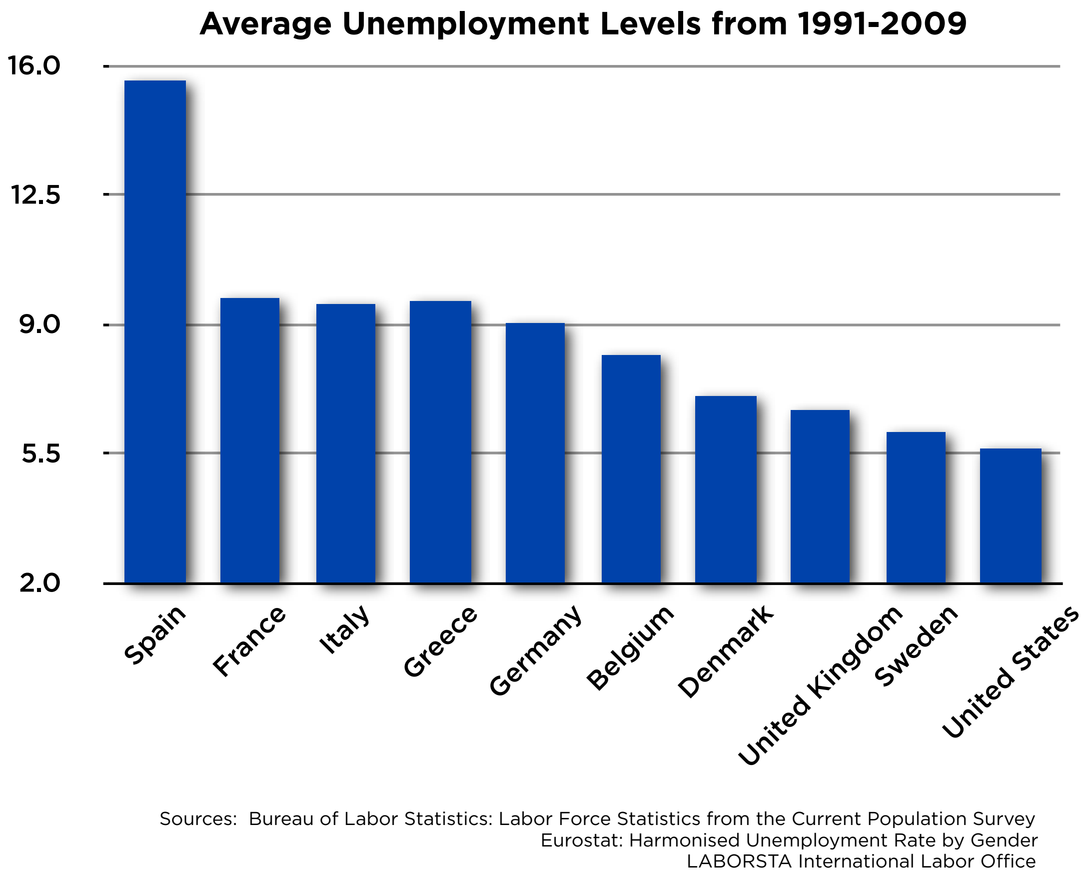
If our spending and debt crisis is not addressed and lower economic growth ensues, the evidence will not be merely statistical. Americans will see a much a lower standard of living. In addition to high unemployment, lower standards of living are a hallmark of European welfare states where spending is already as high as a share of the economy as it will soon be in the U.S. For instance, according to the International Monetary Fund, GDP per capita in the U.S. in 2009 was $46,442.[14] By comparison, EU-15 nations—the original 15 members of the European Union—averaged $36,919.[15] This standard of living is lower than all but 19 States in the U.S.[16]

In a 2007 report of GDP levels per capita in the metropolitan areas around the world, the top 25 highest ranked areas were located in the U.S.[17] In fact, out of the top 40 areas, only Paris was outside the U.S, which fell below economically hard-hit areas such as Detroit and Baltimore.[18] But how do these lower GDP per capita figures translate into the lives of ordinary citizens?



Source: Demographia: Gross Domestic Product (GDP-PPP) Estimates for Metropolitan Regions in Western Europe, North America, Japan, and Australia

Often, it means not having a job. However, most of the time it means that families are simply less well off. Private consumption per capita in the U.S. is 77 percent higher annually than in EU-15 countries as a result of higher incomes and lower taxes.[19] This means more access to things that make life easier, such as cars, computers, televisions, appliances, etc. For instance, in the U.S., 86 percent of households own a microwave. In France, Germany, and Sweden, only 19, 36, and 37 percent of the households respectively own a microwave. In the U.S., 82 percent of households own a clothes dryer, but in France, Germany, and Sweden, only 12, 17, and 18 percent of households respectively own one. Another indicator is the average size of homes. In France, the average home is 379 square feet per household. In Germany, it is 424 square feet per household, and in Sweden, it is 460 square feet. In the U.S., the average dwelling space per household is 721 square feet, and even 439 square feet per poor household.[20]



And what about the loss in opportunity? It is one thing to experience long-term unemployment. It is one thing to be stuck with smaller homes, old-fashioned kitchens, and lagging technology. However, it is quite another to lose the hope that flows from endless opportunity—of looking forward to buying one's own home, of starting one's own business, or of retiring early in financial security. That hope is worn down as opportunity is continually extinguished with greater and greater government demands.

THE NATIONAL SECURITY THREAT OF TOO MUCH DEBT

But lost prosperity and economic opportunity is not all. The historian Arnold Toynbee observed that, "Civilizations die from suicide, not from murder."[21] At best, countries with too much debt lose credibility on the international stage. At worst, countries with too much debt lose the economic foundation to protect themselves.

Consider the situation in Greece. Greece's debt to GDP ratio of almost 130 percent is extremely high.[22] The high debt has long hamstrung and limited the Greek economy, but now threatens the nation's very right to self-govern. The country is unable to sell more debt to raise funds and investors are concerned that money already loaned to the country may not be paid back. As a result of the crisis, the EU has begun making demands that Greece put its fiscal house in order to protect the sinking value of the Euro and to prevent the other member nations from being dragged down as well.[23] However, there is deep skepticism that Greece will be able to make the reforms needed, having waited until it was too late, particularly since much of their debt stems from overly-generous pension plans. Similar scenarios may play out across Europe in countries like Spain and Portugal.

Such extreme borrowing on the part of nations is a direct threat to their national security. In the 1950s, Britain was heavily indebted to countries, including the U.S., and was unable to maintain its military response when Egypt nationalized the Suez Canal. Opposed to Britain's invasion, the U.S. sold off a portion of its holdings in British debt, which posed a major threat to its economy. Britain was forced to capitulate on the terms of another nation.[24] According to Marc Steyn, from 1951-1997, Britain's proportion of government spending on defense dropped from 24 percent to 7 while health and welfare rose from 22 percent to 53.[25]

The U.S. could find itself in a similar predicament. Already, we rely heavily on foreign borrowers, many of whom do not share our interests or our values and who have made particularly threatening comments recently. For instance, China is owed approximately $797 billion by the U.S.[26] On February 10, 2010, the Washington Times reported, "China's military stepped up pressure on the United States on Monday by calling for a government sell-off of U.S. debt securities in retaliation for recent arms sales to Taiwan."[27] Equally as disturbing, on January 29, 2009, Bloomberg reported, "Russia urged China to dump its Fannie Mae and Freddie Mac bonds in 2008 in a bid to force a bailout of the largest U.S. mortgage-finance companies, former Treasury Secretary Henry Paulson said."[28] These sorts of menacing reports are harbingers of things to come if the U.S. fails to tackle its fiscal problems.

And what if the next great national security threat demands even more than our ongoing wars in Iraq and Afghanistan? What if Iran's nuclear ambitions demand an immediate and sustained military response? What if China and Russia choose the role of aggressor and our arsenal must be modernized, transformed, or rebuilt? In order to win the second World War, the U.S. had to rapidly increase government spending from 9.8 percent of GDP in 1940 to 43.6 percent in 1943, with military spending alone reaching 37 percent.[29] What if a similar build-up is required in the near future? As author Mark Helprin has warned, "Though most people cannot believe at this moment that the United States of America will ever again fight for its survival, history guarantees that it will."[30]

Under our proposal, the spending limit could be waived by a declaration of war to deal with an emergency, but the spending would still have to come from somewhere else, because America has already exhausted its ability to borrow and tax the reserves of its people. If our nation refuses to dramatically limit its spending and deal with its debt, it will no longer have the wherewithal to respond to foreign aggression and protect our freedoms at a moment and in a manner of our choosing. America will be less safe, and as a result, less free.

CONCLUSION

Charles Murray has written that, "the problem with the European model, namely: It drains too much of the life from life. And that statement applies as much to the lives of janitors—even more to the lives of janitors—as it does to the lives of CEOs."[31] America is rapidly headed down that road.

Yet it is not too late to begin our reforms. Winston Churchill once said, "Americans can always be trusted to do the right thing, once all other possibilities have been exhausted."[32] Having run out of other possibilities, our nation must do the right thing.

Reform will not be easy. The path of least resistance is for politicians to endlessly worry about the next election, but our fiscal crisis is so severe, that the American people are now electing those who worry far more about the next generation.

The issue before the American people is quite simple. Do we want to leave our children and grandchildren with the same freedom to pursue their own happiness as we have enjoyed? If so, the Spending Limit Amendment to limit spending as a share of the economy is of the utmost importance. Let the debate for its approval begin.

QUESTION & ANSWER

Q. Why take the grave step of trying to amend the Constitution?

A. The SLA would enshrine into the Constitution a principle long-ignored by politicians that federal spending should not grow faster than a family's ability to pay for it. The federal government would join 30 States which currently operate under some form of spending or tax limitation. A constitutional amendment would ensure that Congress cannot waive or ignore the limit with a mere majority, a common practice with past statutory restraints.

Q. Isn't the Spending Limit Amendment an attempt to amend the Constitution to include economic policy?

A. The Constitution already addresses economic policy, whether it be private property rights, interstate commerce, the authority to raise and spend taxpayer's money, etc. The SLA would merely provide a new safeguard to the rights of taxpayers, particularly future generations of taxpayers.

Q. Why does the SLA limit spending to a percentage of the economy?

A. Many economists argue that the best measure of the size of the federal government is spending as a percentage of GDP, as it informs how much of a burden the federal government is imposing on families and whether that burden is affordable. The SLA would limit spending to 20 percent of the economy—the post-World War II average.

Q. Is the SLA a credible attempt to address the nation's fiscal problems?

A. The SLA is a long-term national goal based on one simple assumption—that government should not grow faster than a family's ability to pay for it. Current projections reveal that the country is facing a true fiscal crisis in the years ahead that will demand either spending reforms necessitated by the SLA or unaffordable tax increases above what the nation has ever experienced. A cap limiting spending to 20 percent of the economy—the post-World War II average—would not be easy to meet, but it would force a necessary national debate to ensure that future generations benefit as much from freedom and opportunity as their parents and grandparents have.

Q. Wouldn't adopting the SLA result in cutbacks in Social Security, Medicare, Medicaid, student loans, farm support programs, veteran services, and defense programs?

A. The SLA would do none of these things. It would force Congress and the President to prioritize various spending needs and provide transparency to the difficult decisions and trade offs necessary to ensure that the federal government once again lives within its means. In fact, if the SLA is not adopted all of these programs are doomed on their current auto-pilot glide path as these three entitlement programs alone—Social Security, Medicare, and Medicaid—are set to consume the entirety of the federal budget by 2036. A hard-look at the nation's spending commitments can wait no longer.

Q. Isn't it true that virtually every "credible economist" thinks the SLA would be damaging to the economy in the sense that during recessions spending on fiscal stimulus and safety net programs needs to increase, possibly contributing to a deflationary "death spiral"?

A. No. The SLA would not limit the ability of lawmakers to enact either monetary stimulus or tax stimulus, which many economists think is far more effective in halting a recession and contributing to long-term economic growth. So-called "stimulus" spending packages tend to be inefficient in distributing taxpayer resources, take too long to flow into the economy even when "shovel ready," and create long-term political constituencies that make it difficult to eliminate the spending when the economy recovers.

Q. What would happen in a recession when beneficiaries tap safety net programs (unemployment insurance, COBRA, Medicaid, etc.) in increasing numbers? Even though fiscal stimulus may not be needed to reverse a downturn, wouldn't these current law programs demand resources that are no longer available?

A. Spending on safety net programs would likely go up, but lawmakers would retain the flexibility to prioritize spending within the federal budget. For instance, a decision could be reached that if UI funding needed to be increased that funding for a lower priority could be postponed.

Q. Isn't the SLA a federal version of Colorado's TABOR?

A. No. Even the liberal Center for Budget and Policy Priorities defines TABOR as a constitutional amendment that restricts spending or revenue to the sum of inflation plus population change and requires voter approval to be overridden. The SLA allows for a higher level of spending than spending plus inflation and allows Congress to override the cap so long as two-thirds of the Members approve of doing so. However, the SLA would serve as an effective restraint on spending not unlike many of the tax and spending limit restraints enacted at the State level.

Q. Why is the SLA not set to grow at the lower rate of population plus inflation?

A. For States, the most effective spending levels are set to allow spending to grow with the increase in population and inflation. However, the federal government has certain current responsibilities and liabilities that the States do not have to bear, including the responsibility to provide for a strong national defense, Social Security and Medicare (States do pay a share of Medicaid costs).

Q. Wouldn't the SLA act as an unfunded mandate on the States as governmental responsibilities that are currently performed by the federal government would then be shifted?

A. No. State governments would bear no responsibility to pick up the cost of any loss in government services. In fact, the SLA is based on the premise that government at all levels is too big, demands too much from its citizens, and is riddled with waste, fraud, and abuse. Furthermore, certain State liabilities would be actually reduced. For instance, if Medicaid was reformed and costs reduced, the proportion owed by the States would be similarly lower.

Q. Wouldn't the SLA be impossibly complicated to administer and implement? For instance, GDP is a lagging statistic, with growth rates published only quarterly. What if after all the spending decisions are made for a fiscal year, there is a surge or drop in GDP in the last two quarters?

A. The SLA authorizes lawmakers to implement the amendment with appropriate legislation, and Congress could choose from a host of budget reforms that could help slow the growth in federal spending and enforce the SLA's overall restraint. For instance, if the cap were shown to be breached as a result of a substantial fourth quarter drop in GDP, Congress could either provide for a "look back" that might require a rescissions package of unobligated funds or address the imbalance during the current budget negotiations.

Q. Isn't the SLA's cap of 20 percent of the economy arbitrary? For instance, the economic expansion of the Reagan era witnessed spending reach as high as 23.5 percent of GDP?

A. No, it is not. Spending as a percentage of GDP has averaged 20 percent since the end of World War II. Although spending has temporarily reached higher levels without seeming to detract from economic growth, over the long-term such spending is economically unsustainable, and current projections of federal spending indicate that federal spending is set to double.

Q. If the SLA does not specify where federal spending should be reduced, doesn't it amount to a "free lunch?"

A. The SLA would essentially amount to a national budget based on a determination of what families can afford to pay. No family in America would ever conclude that setting a family budget amounts to a free lunch. Instead, most view a budget as a necessary first step in order to prioritize what they want versus what they need. Often spending restraint begins as a result of setting clear priorities immediately. The same would be true at a national level with the SLA.

Q. How would the SLA be enforced?

A. The Constitution requires Congress "to make all laws which shall be necessary and proper for carrying into execution" all powers vested by the document. Members take oaths to uphold the Constitution and thus would be required not only to implement the SLA but to ensure the federal government's spending complies with its cap. Furthermore, the passage and enactment of a high-profile Constitutional amendment would likely create a public expectation that the SLA be implemented and enforced, creating a political backlash if it is not.

Q. Wouldn't the SLA dangerously involve the federal judiciary to decide potentially every budget decision?

A. No. At most, the courts could decide whether a law was unconstitutional because it caused a breach in the spending cap, but they would have no authority to impose their own spending decisions. Furthermore, Congress has the power to exclude certain types of cases from being considered by the federal courts, and the SLA's implementing legislation could set limits on courts' jurisdiction.

Q. Shouldn't the federal government retain its flexibility to respond to wars and recessions?

A. The SLA would retain such flexibility and would be automatically suspended with any declaration of war, and Congress could suspend the limit, by a vote of two-thirds of each House, to pass legislation that it deemed necessary in the event of a severe recession or for any other reason. Such measures would likely require bipartisan support, but this requirement would help ensure that future lawmakers arrive at a true short-term consensus in the face of true national emergency that is in the long-term interest of taxpayers.

Q. Wouldn't the SLA set up a scenario where spending is allowed to boom when the economy is growing and where the cap is suspended to allow higher spending when the economy is not?

A. The hurdle to suspend the cap would always be high, requiring a two-thirds vote of each House. In addition, the legislation to implement the SLA would provide that the measure for determining economic growth be a five-year rolling average to help eliminate booms and bust swings each year. For instance, spending could be tied to a recent average for GDP growth which would be more stable.

END NOTES

[1] The White House. *Budget Historical Tables: Summary of Receipts, Outlays, and Surpluses or Deficits (-) as Percentages of GDP: 1930–2015*. Office of Management and Budget. <http://www.whitehouse.gov/omb/budget/fy2011/assets/hist01z2.xls>.

[2]The White House. *Budget Historical Tables: Summary of Receipts, Outlays, and Surpluses or Deficits (-): 1789–2015*. Office of Management and Budget. <http://www.whitehouse.gov/omb/budget/fy2011/assets/hist01z1.xls>.

[3] The White House. *Budget Historical Tables: Summary of Receipts, Outlays, and Surpluses or Deficits (-) as Percentages of GDP: 1930–2015*. Office of Management and Budget. <http://www.whitehouse.gov/omb/budget/fy2011/assets/hist01z2.xls>. According to the OMB Historical Tables, the last time spending as a percentage of GDP exceeded 24.7% was 1943-46.

[4] Ibid.

[5] The White House. *Budget Historical Tables: Federal Debt at the End of Year: 1940–2015*. Office of Management and Budget. <http://www.whitehouse.gov/omb/budget/fy2011/assets/hist07z1.xls>. According to OMB the total debt accumulated at the end of 1992, when Bill Clinton took office, was $4.001 trillion. At the end of 2004, the total debt was $7.354 trillion. At the end of 2009, the total debt was $11.875 trillion. Thus, between 2005 and 2009 debt grew by $4.521 trillion—which is more than the total amount of debt accumulated in the history of the country when Clinton took office ($4 trillion).

[6] *The Long-Term Budget Outlook: Federal Debt Held by the Public Under CBO's Two Budget Scenarios*. Additional Information, Washington, D.C.: Congressional Budget Office, June 2009. Pp.11 and 16. <http://www.cbo.gov/doc.cfm?index=10297&type=2>. Based on the combined cost of Medicare, Medicaid, and Social Security spending under the alternative fiscal scenario. Based on tables F1-2 and F2-1.

[7] *The Long-Term Budget Outlook: Federal Debt Held by the Public Under CBO's Two Budget Scenarios*. Washington, D.C.: Congressional Budget Office, June 2009. Pp.11 and 16. <http://www.cbo.gov/ftpdocs/102xx/doc10297/06-25-LTBO.pdf>.

[8] Ibid.

[9] United States. House Republican Budget Committee. *The Relentless Growth of Government*. 111th Cong., 2nd sess. Cong. Doc. February 2010. <http://www.house.gov/budget_republicans/press/2007/pr20100201govgrowth.pdf>. According to the Republican Budget Committee, non-defense discretionary spending in FY 2008 was $434 million. FY 2010 non-defense spending combined with non-defense spending in the stimulus bill (H.R. 1) totaled $797 billion, an increase of 84 percent.

[10] Orszag, Peter R. "The Long-Term Economic Effects of Some Alternative Budget Policies." Letter to Rep. Paul Ryan. 19 May 2008. *Www.cbo.gov/*. Congressional Budget Office, 19 May 2008. Web. 26 Feb. 2010. <http://www.cbo.gov/ftpdocs/92xx/doc9216/Letter-to-Ryan.1.1.shtml>.

[11] Ibid.

[12] Will, George. "Liberal Candor: Amendment foes simply don't want balanced budget." *Lakeland Ledger*. Google. Web. 26 Feb. 2010. <http://news.google.com/newspapers?nid=1347&dat=19950115&id=D9sSAAAAIBAJ&sjid=yPwDAAAAIBAJ&pg=5128,2528435>.

[13] Jefferson, Thomas. "Letter to John Taylor of Caroline." Letter. 26 Nov. 1798.

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